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January 21, 2014

Via Federal Express Mail To:

Honorable Stuart M. Bernstein
United States Bankruptcy Judge
United States Bankruptcy Court
Southern District of New York
One Bowling Green, Courtroom 723
New York, NY 10004-2304

Re: East 81st, LLC
Case No.: 13-13685 (SMB)
Settlement Date of Proposed Order: January 22, 2014

Dear Judge Bernstein:

My firm is counsel to the Debtor, East 81st, LLC.

Please accept this letter as the Debtor's objection to the proposed order ("Proposed Order") submitted by Petermark II, LLC ("Petermark").

Briefly, and by way of background, Petermark, a secured creditor, filed a motion for an order seeking, among other things, a dismissal of the Debtor's Chapter 11 case or, alternatively, the modification of the automatic stay (the "Motion"). The hearing on the Motion was conducted before Your Honor on January 9th, 2014 (the "Hearing").

At the Hearing, Your Honor determined a trial was needed on the issues of: (a) whether the Debtor can confirm a Chapter 11 plan; and (b) the value of the commercial units owned by the Debtor at the premises at 215 East 81st Street, New York, NY. Your Honor scheduled a trial on these issues for February 20th and February 21st, 2014, and, pending the trial directed the Debtor to make an interest payment to Petermark by January 17th, 2014, in an amount not to exceed \$32,000.00.

The Debtor objects to the Proposed Order as it contains provisions that were not directed by Your Honor at the Hearing. In particular, the Proposed Order requires the Debtor to make post-petition real estate tax payments and continuing monthly interest payments to Petermark despite the fact that no such directions were made by Your Honor at the Hearing.

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As is clear from the transcript of the Hearing, which has been electronically filed (under Docket Number 34), the only payment directed by Your Honor pending the trial on February 20th and February 21st, 2014, was the interest payment, in an amount not to exceed \$32,000, to be paid by January 17, 2014. I refer to: page 57, line 8 to page 58, line 24; and page 64, line 22 to page 65, line 5 of the transcript.¹

Accordingly, I submit for Your Honor's consideration a counter-proposed order and disc (in Word format).

Respectfully Submitted,
LAZARUS & LAZARUS, P.C.

By: /S/ Gilbert A. Lazarus, Esq.
Gilbert A. Lazarus, Esq.

GAL.qm-Encl.

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¹ The actual amount of the interest payment was \$33,204.04. This payment was made on January 15, 2014.